

AMENDED IN SENATE APRIL 21, 2016
AMENDED IN SENATE MARCH 28, 2016

SENATE BILL

No. 1092

Introduced by Senator Monning

February 17, 2016

An act to amend Sections 22592 and 22594 ~~of, and to add Section 22593 to,~~ of the Business and Professions Code, relating to business.

LEGISLATIVE COUNSEL'S DIGEST

SB 1092, as amended, Monning. Advertising: Internet private residence rental listings: notice.

Existing law requires a hosting platform, as defined, to provide a specific notice to an occupant listing a residence for short-term rental on a hosting platform that states, among other things, that, if the occupant is a tenant, listing the room, home, condominium, or apartment may violate the lease or contract and could result in legal action by the landlord, including possible eviction. Existing law requires the notice to be in a particular font size and be provided immediately before the occupant lists each real property on the hosting platform's Internet Web site in a manner that requires the occupant to interact with the hosting platform's Internet Web site to affirmatively acknowledge he or she has read the notice.

~~This bill would modify that font size requirement and would discontinue the requirement that the notice be provided immediately before the listing of each real property. The bill would require the hosting platform to additionally provide to an offeror, prior to the offeror's listing of a residential unit for short-term rental on the hosting platform's Internet Web site, a notice disclosing specified information regarding the availability or unavailability of insurance coverage~~

provided by the hosting platform. The bill would require the new notice to comply with the above-described affirmative acknowledgment and modified font size requirements *require that notice to also include a statement advising the offeror to review any restrictions on coverage under the offeror’s homeowners’ or renters’ insurance policy related to short-term rental activities, as specified, and would make technical and conforming changes.*

Vote: majority. Appropriation: no. Fiscal committee: no.
 State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 22592 of the Business and Professions
 2 Code is amended to read:

3 22592. A hosting platform shall provide the following notice
 4 to an offeror listing a residence for short-term rental on the hosting
 5 platform:

6

7 ~~¶~~

8 *(a) If you are a tenant who is listing a room, home,*
 9 *condominium, or apartment, please refer to your rental contract*
 10 *or lease, or contact your landlord, prior to listing the property to*
 11 *determine whether your lease or contract contains restrictions that*
 12 *would limit your ability to list your room, home, condominium,*
 13 *or apartment. Listing your room, home, condominium, or apartment*
 14 *may be a violation of your lease or contract, and could result in*
 15 *legal action against you by your landlord, including possible*
 16 *eviction.*

17

18 *(b) You should review any restrictions on coverage under your*
 19 *homeowners’ or renters’ insurance policy related to short-term*
 20 *rental activities to ensure that there is appropriate insurance*
 21 *coverage in the event that a person sustains an injury or loss for*
 22 *which you are responsible, a person damages or causes loss to*
 23 *your personal or real property, or a claim or lawsuit is made*
 24 *against you or otherwise arises out of activities related to this*
 25 *hosting platform.*

26

27 ~~SEC. 2. Section 22593 is added to the Business and Professions~~
 28 ~~Code, to read:~~

1 ~~22593. A hosting platform shall provide to an offeror, prior to~~
2 ~~the offeror's listing of a residential unit for short-term rental on~~
3 ~~the hosting platform's Internet Web site, a notice disclosing~~
4 ~~information regarding the availability or unavailability of insurance~~
5 ~~coverage provided by the hosting platform, as follows:~~

6 ~~(a) If the hosting platform provides primary insurance coverage~~
7 ~~for the offeror for any liabilities or property losses the offeror~~
8 ~~incurs as a result of activity related to the short-term rental, the~~
9 ~~hosting platform shall disclose the coverage limits for death,~~
10 ~~personal injury, and property damage, and shall explicitly explain~~
11 ~~to the offeror all of the following:~~

12 ~~(1) That primary insurance means that the hosting platform's~~
13 ~~insurance coverage shall be primary to all other insurance and first~~
14 ~~in line to cover liabilities or property losses.~~

15 ~~(2) That the policy is not contingent on the offeror's~~
16 ~~homeowners' or renters' insurance policy first denying a claim~~
17 ~~before the hosting platform's primary insurance provides coverage.~~

18 ~~(3) That the offeror should review any restrictions on coverage~~
19 ~~under the offeror's own homeowners' or renters' insurance policy~~
20 ~~related to short-term rental activities.~~

21 ~~(b) If the hosting platform provides only secondary or excess~~
22 ~~insurance or does not provide insurance, the hosting platform shall~~
23 ~~comply with all of the following:~~

24 ~~(1) Disclose that the offeror's homeowners' or renters' insurance~~
25 ~~policy may be primary and first in line to cover liabilities or~~
26 ~~property losses.~~

27 ~~(2) Explicitly request that the offeror review the offeror's~~
28 ~~homeowners' or renters' insurance policy to ensure that there is~~
29 ~~appropriate insurance coverage in the event that a person sustains~~
30 ~~an injury or loss for which the offeror is responsible, a person~~
31 ~~damages or causes loss to the offeror's personal or real property,~~
32 ~~or a claim or lawsuit is made against the offeror or otherwise arises~~
33 ~~out of activities related to the hosting platform.~~

34 ~~(3) Disclose that the offeror's homeowners' or renters' insurance~~
35 ~~may exclude coverage arising out of activities related to the hosting~~
36 ~~platform.~~

37 ~~SEC. 3.~~

38 ~~SEC. 2. Section 22594 of the Business and Professions Code~~
39 ~~is amended to read:~~

1 22594. (a) The ~~notices~~ *notice* required by ~~Sections~~ *Section*
2 22592 ~~and 22593~~ shall be in a font size that is equal to or greater
3 than 100 percent of the standard font size of the other paragraphs
4 on the hosting platform's Internet Web ~~site~~, *site or equal to the*
5 *default font size on the hosting platform's Internet Web site.*
6 (b) *The notice shall be provided immediately before the offeror*
7 *lists each real property on the hosting platform's Internet Web*
8 *site, and shall require the offeror to interact with the hosting*
9 *platform's Internet Web site to affirmatively acknowledge he or*
10 *she has read the notice. This affirmative acknowledgment may be*
11 *accomplished by the inclusion of a statement in the* ~~notices~~ *notice*
12 *described in* ~~Sections~~ *Section 22592* ~~and 22593~~ *that the offeror*
13 *acknowledges reading these* ~~notices~~ *this notice* before proceeding
14 to list a real property with the hosting platform's Internet Web
15 site.